

**PAUWELS MIDDLE EAST TR.  
& CONT. PVT. CO. LLC  
SHARJAH - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2016**

**PAUWELS MIDDLE EAST TR. & CONT. PVT. CO. LLC  
SHARJAH - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2016**

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

### Report on the Financial Statements

We have audited the accompanying financial statements of **Pauwels Middle East Tr. & Cont. Pvt. Co. LLC, Sharjah – United Arab Emirates** which comprise the statement of financial position as at March 31, 2016 and the statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements which gives a true and fair view of the state of affairs of the Company and of the comprehensive income or loss for that year and to comply with the applicable provisions of the Articles of Association of the Company and the U.A.E. Federal Commercial Companies Law No.8 of 1984 (as amended). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

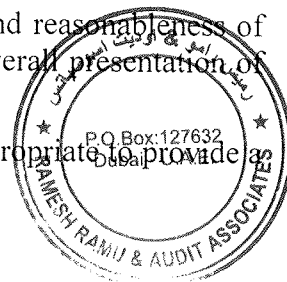
### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

### Auditors' Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





## Opinion

Previous year audit was done by other auditor. However, we have not carried out an audit of the comparative figures included in these financial statements and hence do not express an opinion thereon.

Subject to the above, in our opinion; the financial statements present fairly, in all material respects, the financial position of the **Pauwels Middle East Tr. & Cont. Pvt. Co. LLC, Sharjah – United Arab Emirates** as of March 31, 2016 and its financial performance and its cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles and comply with the UAE Commercial Companies Law No. 8 of 1984 (as amended).

## Report on other legal and regulatory requirements

As required by the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended), we further confirm that,

1. We have obtained all the information and explanations necessary for our audit,
2. The contents of the Directors' Report which relates to the financial statements are in agreement with the Company's books of account.
3. We are not aware of any contraventions during the year of the above mentioned law or the Company's Articles of Association; which may have materially effected the financial position of the Company or the result of its operations for the year.

RAMESH RAMU & AUDIT ASSOCIATES  
CHARTERED ACCOUNTANTS  
DUBAI – UNITED ARAB EMIRATES  
Date: May 04, 2016



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Statement of Financial Position**  
**As of March 31, 2016 and 2015**  
**(In United Arab Emirates Dirham)**

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<i>Assets</i>			
<i>Noncurrent assets:</i>			
Property, plant and equipment	4	-	-
Total noncurrent assets		-	-
<i>Current assets:</i>			
Other receivables and prepayments	7	3,000	3,000
Amounts due from related parties	8	-	31,835
Cash and banks	8	-	31,533
Total current assets		3,000	66,368
<b>Total assets</b>		<b>3,000</b>	<b>66,368</b>
<i>Equity &amp; Liabilities</i>			
<i>Shareholders' equity:</i>			
Share capital	2	500,000	500,000
Statutory reserve	9	250,000	250,000
Retained earnings	10	(847,325)	(896,050)
Total shareholders' funds		(97,325)	(146,050)



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

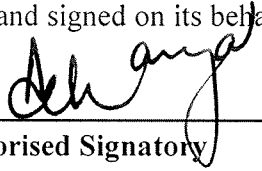
**Statement of Financial Position (continued)**  
**As of March 31, 2016 and 2015**  
**(In United Arab Emirates Dirham)**

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<i>Noncurrent liabilities:</i>			
Employees' end of service benefits		-	74,173
Total noncurrent liabilities		-	74,173
<i>Current liabilities:</i>			
Other payables & Accruals	12	100,325	138,245
Amounts due to related parties	8	-	-
Total current liabilities		100,325	138,245
Total liabilities		100,325	212,418
<b>Total shareholders' equity and liabilities</b>		<b>3,000</b>	<b>66,368</b>

The accompanying notes form an integral part of these financial statements.

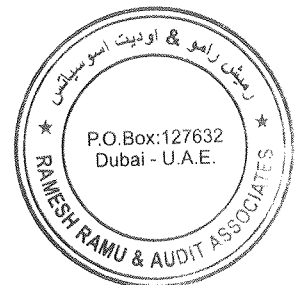
The Report of the Auditors is set out on pages 1 and 2.

The financial statements on pages 3 to 19 were approved by the Board of Directors on May 04, 2016 and signed on its behalf by:



Authorized Signatory

Pauwels Middle East Tr. & Cont. Pvt. Co. LLC



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

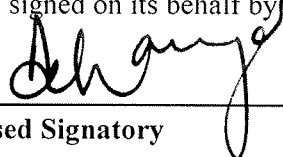
**Statement of Comprehensive Income**  
**For the year ended March 31, 2016 and 2015**  
**(In United Arab Emirates Dirham)**

	Notes	2016	2015
Revenue	16	-	-
Direct cost	17	-	-
<i>Gross profit</i>		-	-
Other income	18	169,582	200,000
General and administrative expenses	18	(120,857)	(105,869)
Provision for liquidation cost		-	-
Corporate allocated expenses		-	-
Finance cost		-	(700)
<i>Total comprehensive income/(loss) for the year</i>	10	<u>48,725</u>	<u>93,431</u>

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 1 and 2.

The financial statements on pages 3 to 19 were approved by the Board of Directors on May 04, 2016 and signed on its behalf by



Authorized Signatory

Pauwels Middle East Tr. & Cont. Pvt. Co. LLC



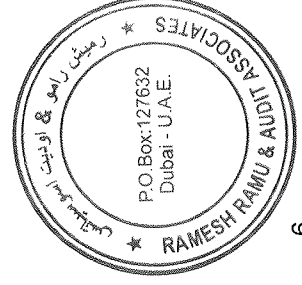
Pauwels Middle East Tr. & Cont. Pvt. Co. LLC  
Sharjah - United Arab Emirates

Statement of Changes in Shareholders' Equity  
For the year ended March 31, 2016 and 2015  
(In United Arab Emirates Dirham)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Shareholders' equity</u>	<u>Total</u>
As at April 1, 2014	500,000	250,000	(989,481)	(239,481)	(239,481)
<i>Changes in Equity:</i>					
Total comprehensive income for the year	-	-	93,431	93,431	93,431
<b>As at March 31, 2015</b>	<b>500,000</b>	<b>250,000</b>	<b>(896,050)</b>	<b>(146,050)</b>	<b>(146,050)</b>
<i>Changes in Equity:</i>					
Total comprehensive income for the year	-	-	48,725	48,725	48,725
<b>As at March 31, 2016</b>	<b>500,000</b>	<b>250,000</b>	<b>(847,325)</b>	<b>(97,325)</b>	<b>(97,325)</b>

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on pages 1 and 2.





**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Statement of Cash Flows**

**For the year ended March 31, 2016 and 2015**

**(In United Arab Emirates Dirham)**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Total comprehensive income/(loss) for the year	48,725	93,431
Adjustments for non cash item:		
Depreciation of property, plant, and equipment	-	2
Gain on sale of property, plant, and equipment	-	-
Provision for employees' end of service gratuity	(74,173)	(1,044,198)
<b>Operating (loss) before changes in</b>	<b>(25,448)</b>	<b>(950,765)</b>
Decrease/(increase) in other receivables & prepayments		133,243
Decrease/(increase) in due from related parties	31,835	1,031,900
(Decrease)/increase in account payables	(37,920)	(76,917)
(Decrease)/increase in due to related parties	-	(109,174)
Increase in accounts and other payable	-	-
<b>Cash generated from operations:</b>	<b>(31,533)</b>	<b>28,287</b>
<b>Net cash from/(used in) operating activities</b>	<b>(31,533)</b>	<b>28,287</b>
<b>Cash flows from investing activities</b>		
<b>Net cash flow (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
<b>Net cash (used in)/from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(31,533)</b>	<b>28,287</b>
Cash and cash equivalents, beginning of the year	31,533	3,246
Cash and cash equivalents, end of the year	-	31,533
<b>Represented by:</b>		
Cash and bank balance	-	31,533
	-	31,533

**The accompanying notes form an integral part of these financial statements.**

**The Report of the Auditors is set out on pages 1 and 2.**



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah – United Arab Emirates**

**Notes to the Financial Statements**  
**For the year ended March 31, 2016 and 2015**

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**1 Legal status and business activity:**

- 1.1 **Pauwels Middle East Tr. & Cont. Pvt. Co. LLC, Sharjah – United Arab Emirates** (“the Company”) was incorporated on June 09, 1977 and operates as a Limited Liability Company (L.L.C) in the United Arab Emirates under a trading license issued by the Department of Economic Development of the Government of Sharjah.
- 1.2 The principal activity of the Company is trading in electrical and allied equipment.
- 1.3 The registered office of the Company is located at Sharjah, P.O.Box-5730, United Arab Emirates.
- 1.4 These financial statements incorporate the operating results of the company with trading license No. 11880.

**2 Share capital:**

Authorised, issued and paid up capital of the Company is AED 500,000/- divided into 500 shares of AED 1,000/- each, fully paid.

The breakup of the shareholding at March 31, 2016 is as follows:

<u>Name</u>	<u>Nationality/ Incorporate with</u>	<u>Percentage holding</u>	<u>AED</u>
a) H.H. Shaikh Abdulrahman Bin Salem Bin Sultan Alqassimi	Emirati	51%	255,000
b) M/s. C G International B.V	Holland	37%	185,000
c) M/s. Pauwels International N.V	Belgium	12%	60,000
		<u>100%</u>	<u>500,000</u>



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

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**3 Summary of significant accounting policies:**

**Basis of preparation:**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles, and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

**a) Accounting convention**

These financial statements have been prepared under historical cost convention basis.

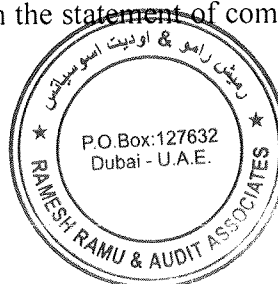
**b) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight-line method over their estimated useful economic lives as follows:

	<u>Years</u>
Furniture & fixtures	5
Office equipments	5

**c) Impairment of assets**

Property, plant and equipments are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

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**3 Summary of significant accounting policies (continued):**

**d) Revenue recognition**

Revenue from sale of goods shall be recognised when all the following conditions have been satisfied:

- i. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefit associated with the transaction will flow to the entity; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

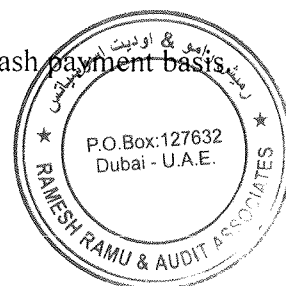
**e) Financial expenses**

Financial expenses are accounted in the statement of comprehensive income in the year in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.

**f) Employees' terminal benefits**

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the statement of financial position date.

Employees' terminal benefits are accounted on cash payment basis.



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

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**3 Summary of significant accounting policies (continued):**

**g) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

**h) Statutory reserve**

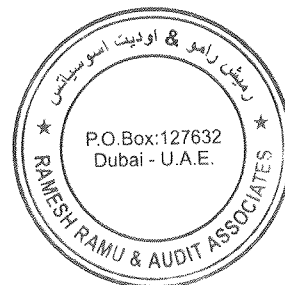
In accordance with United Arab Emirates Federal Companies Law No. 8 of 1984, the Company has established a statutory reserve.

**i) Inventories**

Inventories are stated at the lower of cost and net realisable value using FIFO method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

**j) Foreign currencies**

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of comprehensive income.



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

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**3 Summary of significant accounting policies (continued):**

**k) Financial instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's statement financial position when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

*Accounts receivables*

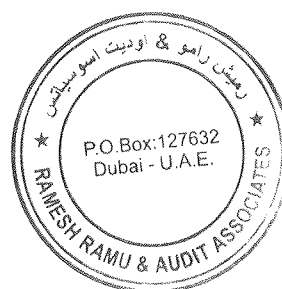
Sales made on credit are included in accounts receivables at the statement of financial position date, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

*Accounts payable*

Accounts payable are stated at their nominal value.

**l) Cash and cash equivalents**

For the purpose of the statement of cash flow, cash and cash equivalents comprise cash in hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

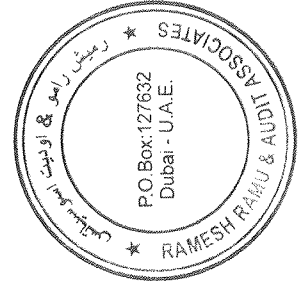


Pauwels Middle East Tr. & Cont. Pvt. Co. LLC  
Sharjah - United Arab Emirates

Notes to the Financial Statements (continued)  
For the year ended March 31, 2016 and 2015

4 Property, plant and equipment

	<u>Furniture &amp; fixtures</u>	<u>Office &amp; equipments</u>	<u>Total</u>
	AED	AED	AED
<i>Cost</i>			
As at April 1, 2015	46,399	36,427	82,826
As at March 31, 2016	<u>46,399</u>	<u>36,427</u>	<u>82,826</u>
<i>Accumulated depreciation</i>			
As at April 1, 2015	46,399	36,427	82,826
Depreciation for the year	-	-	-
As at March 31, 2016	<u>46,399</u>	<u>36,427</u>	<u>82,826</u>
<i>Net book value</i>			
As at March 31, 2016	<u>-</u>	<u>-</u>	<u>-</u>
As at March 31, 2015	<u>-</u>	<u>-</u>	<u>-</u>



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

**7 Other receivables and prepayments**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Deposits	3,000	3,000
Advance to suppliers	-	-
Prepayments	-	-
	<b>3,000</b>	<b>3,000</b>

**8 Related parties transactions**

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services rendered to related parties as well as other charges, if applicable.

The Company provides funds to related parties as and when required as working capital facilities.

**a) Amounts due from related parties**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Amount due from related parties	-	31,835
	-	31,835





**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

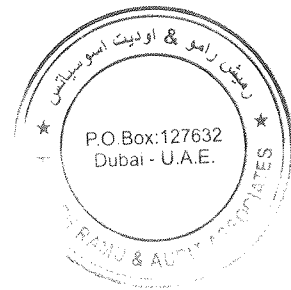
**Notes to the Financial Statements (continued)**  
**For the year ended March 31, 2016 and 2015**

Similarly, at the statement of financial position date, due to related parties were as follows:  
b) Amounts due to related parties

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
CG Middle East	-	-
	-	-

**8 Cash and banks**

	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Cash and bank balance	-	31,533
	-	31,533



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended March 31, 2016 and 2015**

**9 Statutory reserve**

	March 31,	
	2016	2015
	AED	AED
Opening balance	250,000	250,000
Closing balance	250,000	250,000

According to the Articles of Association of the Company and Article 193 of the UAE Federal Commercial Companies Law, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended when the reserve reaches 50% of the paid up capital.

**10 Retained earnings**

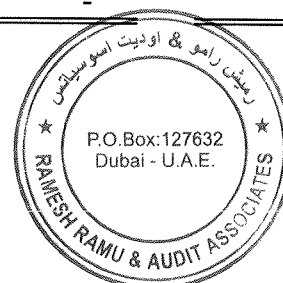
	March 31,	
	2016	2015
	AED	AED
Opening balance	(896,050)	(989,481)
Total comprehensive income for the year	48,725	93,431
Transfer to statutory reserve	-	-
Closing balance	(847,325)	(896,050)

**12 Other payables & Accruals**

	March 31,	
	2016	2015
	AED	AED
Other payables	-	-
Accrued expense	100,325	138,245
	100,325	138,245

**16 Revenue**

	For the year ended March 31,	
	2016	2015
	AED	AED
Revenue	-	-
	-	-



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended March 31, 2016 and 2015**

**17 Direct cost**

	<b>For the year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Direct cost	-	-
	-	-

**18 Other income**

During the year, this was derived from the following source:

	<b>For the year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Other income	<b>169,582</b>	200,000
	<b>169,582</b>	200,000

**18 General and administrative expenses**

	<b>For the year ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>AED</b>	<b>AED</b>
Director remuneration	<b>25,000</b>	25,000
Salaries & other related benefits	-	14,363
Rent	<b>51,000</b>	42,000
Communication	<b>900</b>	2,291
Utilities	<b>3,924</b>	3,765
Legal, visa and taxes	<b>38,250</b>	12,725
Traveling & conveyance	<b>835</b>	3,223
Depreciation (note 4)	-	2
Miscellaneous	<b>948</b>	2,500
	<b>120,857</b>	105,869



**Pauwels Middle East Tr. & Cont. Pvt. Co. LLC**  
**Sharjah - United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended March 31, 2016 and 2015**

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**19 Financial instruments**

Financial instruments of the Company comprise of cash at bank, account and other receivables, account and other payables.

**Credit risk**

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, account and other receivables.

The Company's bank accounts are placed with high credit quality financial institutions.

Account and other receivables are stated net of allowance for doubtful recoveries.

**Currency risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams or US Dollars to which the conversion of Dirhams into US Dollar is fixed.

**Interest rate risk**

The Company does not have any significant interest rate risk.

**Fair values**

At the statement of financial position date, the fair values of financial assets and liabilities, approximate to their carrying amounts.

**20 Contingent liability and capital commitments**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no known contingent liability or capital commitments on Company's account, as of statement of financial position date.

